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From: RPAGES --VUS0212A Date and time 10/08/92 09:34:51
To: HREIF --VCH0021A Helmut Reif

From: Robert A. Pages
Subject: CIAR and RJR

FYI. Please keep this confidential until we've had a chance to try to sort things out more fully.

Bob
*** Forwarding note from RPAGES --VUS0212A 10/08/92 09:28 ***
To: SPARRISH--VUS0212A Steve Parrish

From: Robert A. Pages
Subject: CIAR and RJR

I spoke with Charlie Green this morning.

You will be getting a telephone call from W. Ukatz/T. Griscom today or tomorrow. They will inform you of the decisions reached yesterday in their meeting with Jim Johnston re CIAR.

RJR will not vote to fund ANY further CIAR research agenda projects. (These are the ones that go through the SAB review process.) They will continue to fund CIAR in 1993 at the same dollar level ($1.75M) as in 1991 and 1992. However, there are conditions attached to that support: In 1993, CIAR must use as all of its resources in support of projects/activities that will help us with OSHA.
CIAR should go ahead with the two projects - confounders and exposure assessment - using as much money as it already has available (including the 1993 RJR contribution). RJR is willing to consider small, additional contributions in '93 if absolutely necessary and only if that money is needed to support work specifically targeted toward the industry's needs re OSHA.

The telephone call from Ukatz/Griscom will inform you of this and they will ask you what course PM will take. (Green will be with at the CORESTA meeting in Spain which begins on Sunday and he will personally discuss RJR's decsion with Alex Spears sometime during the meeting.)

Comments/Discussion re my conversation with Green:

Charlie felt as if the decision was a victory in that when the meeting started Johnston took the position that he didn't want to continue with CIAR and that RJR should just pull out.

If PM and Lorillard were to decide to continue with a CIAR research program (the SAB program), which would mean that all projects approved for '93 funding would have to be supported only by those two companies (the by-laws make provision for this), RJR would be willing to continue as a charter member of CIAR; i.e., they would not formally pull out.

Under the RJR conditions, if we and Lorillard were to go along, approx. $1M ticketed to support new research projects would be freed up to support the "OSHA responsive" projects. As CIAR has ongoing commitments to active projects which will not be completed until the end of '93 or in some cases '94, not all of the charter member companies' 1993 dues (including RJR's) would be available solely for "responsive" projects.

Green is particularly anxious that no word of their decision be leaked to Max Eisenberg and John Rupp until after PM and Lorillard are informed and have a chance to consider their response.

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I want to more carefully consider what I would recommend that PM do. However, it seems clear to me that if we go along with RJR on this there may well be two immediate consequences: 1) Most or all of the SAB will resign (with or without attendant publicity); and 2) I would expect Max Eisenberg to also leave CIAR. Either or both of these would effectively mean the end of CIAR. Further, if the SAB were to be dissolved, how could we expect someone like Genevieve Matanoski (an SAB member) to continue to help us with the design and conduct of the confounders study? Mike Guerin of Oak Ridge (also a SAB member) would, I believe, be willing to continue to work on the exposure assessment study because his organization is to some extent dependent on outside contracts for its support. However, I could be wrong about this.

If PM and Lorillard decide to try to keep CIAR alive, at least through '93, we would have to be prepared fund at least a few new research projects by ourselves. How many and how much would that cost us in addition to what we've budgeted for '93? I don't know. A bigger concern might well be Max Eisenberg: without some kind of assurance of a future for CIAR beyond '93 what's his motivation for continuing to serve as Executive Director?

Damn] I particularly resent our being put in a box and dictated to by RJR. It seems pretty clear that they view the current situation as desparate: Earlier this week, Green told me that the prevailing attitude around Winston-Salem is that "if we lose with OSHA, it's all over."

I'll be in touch as I contiune to try to think this through....

cc: DKEANE --VUS0212A Denise Keane RCARCHMA--VUS0212A Richard Carchman

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